

WISCONSIN DEPARTMENT OF TOURISM

2001-2003 BIENNIAL REPORT



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TOURISM

WISCONSIN DEPARTMENT OF TOURISM

Jim Doyle, Governor

Jim Holperin, Secretary

October 15, 2003

The Honorable Jim Doyle
115 East, State Capitol
Madison, WI 53707

Dear Governor Doyle:

Enclosed is the Department of Tourism's 2001-2003 Biennial Report. In it we highlight our accomplishments during the biennium as well as new initiatives for the future.

The Department takes great pride in showcasing the beautiful state we know and love. The wide variety of activities, facilities and natural resources offered to travelers and residents alike makes Wisconsin a premier Midwest destination.

During the 2001-03 biennium, Wisconsin continued to thrive as a travel destination even in the face of terrorism threats, a slow economy, and higher energy prices. Travelers wanted to take vacations and spend time with family and friends. As such, the travel consumer responded to our invitation, ultimately enhancing our State's economy. You will find a summary of Tourism's Economic Impact on page 18 of this report.

Our industry and the Department of Tourism are willing to be integral parts of your "Grow Wisconsin" blueprint for economic development because we make such valuable economic contributions to the state. With your ongoing commitment, Wisconsin tourism looks forward to continued success.

Sincerely,

Jim Holperin
Secretary

201 West Washington Avenue • P.O. Box 7976 • Madison, WI 53707-7976 • Telephone: 608/266-7621 • FAX: 608/266-3403 • www.travelwisconsin.com

Function & Structure

The Department of Tourism's mission is to promote the State of Wisconsin as a vacation destination. We encourage people to travel to and within our great state. We use a variety of methods to reach people including: advertising (television, radio, magazine, newspaper, internet, etc.), public relations, information resources (travel information centers, trade shows, publications, Web site, etc.), and partnerships with communities and a variety of local groups.

The Department is a cabinet-level agency with both the Secretary and the Deputy Secretary appointed by the Governor. We have five Bureau Directors who report directly to the Secretary's Office. Directors supervise and manage staff and the day-to-day operations of their areas. An organizational chart can be found on page 5 of this document.

The Governor's Council on Tourism advises the Secretary by providing strategic direction. Members of the Council have experience in marketing and promotion strategy and represent all geographic areas of Wisconsin. Current members of the Council can be found on page 6.

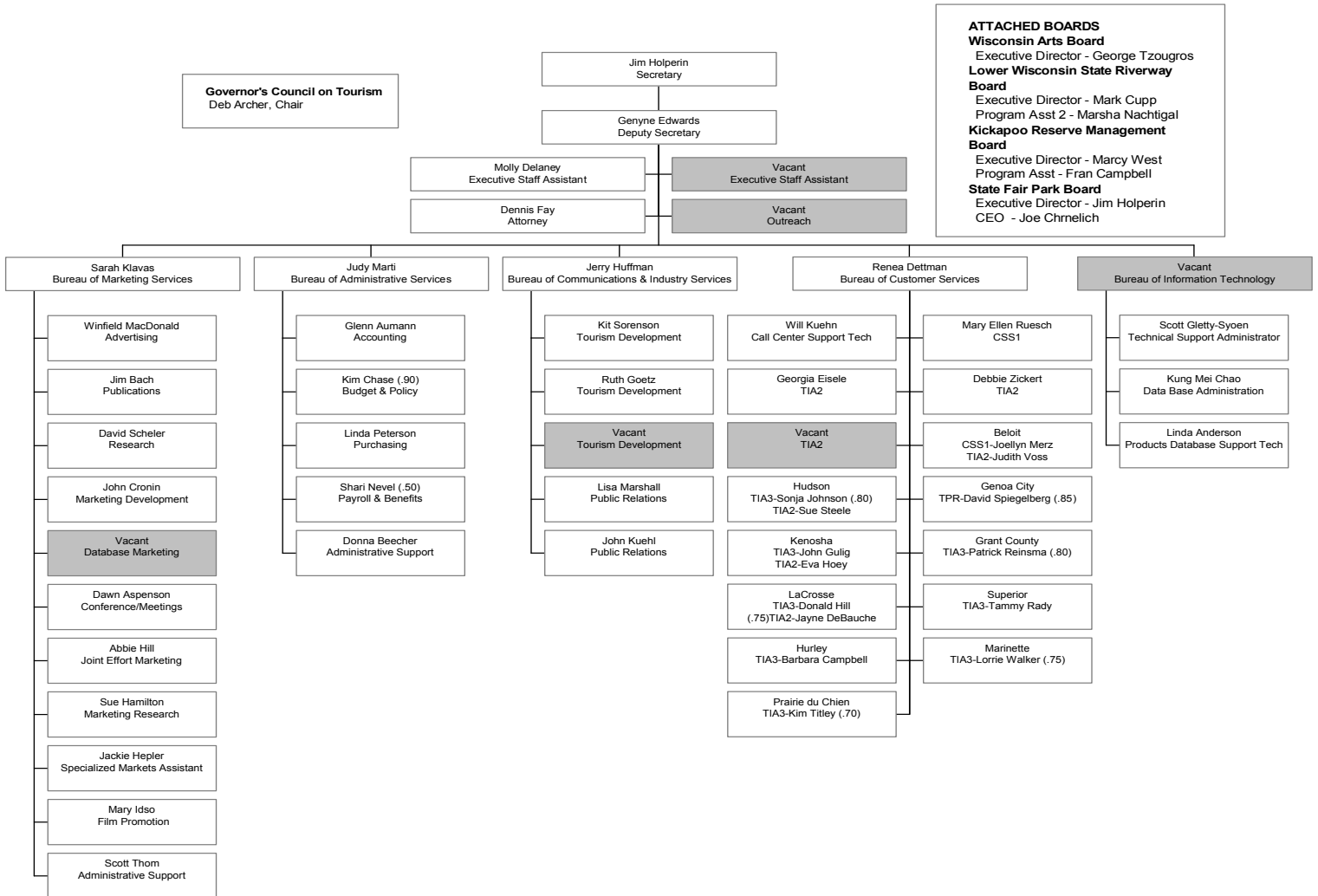
Alternative Work Patterns

In June 2003, the Department of Tourism revised business hours to 7:45 a.m. to 4:30 p.m., Monday through Friday. This change was made to mirror the standard business hours of other state agencies.

Flex-time, any work hours scheduled outside of normal business hours, is discretionary based on the operational and customer service needs of each work unit. Many employees have taken advantage of a flexible schedule that provides balance to their personal and professional lives.

Finally, in anticipation of staff reductions required by 2003 Act 33, the Department offered a voluntary opportunity for staff to permanently reduce full-time equivalent (FTE) status. Offering this flexibility will help retain dedicated staff seeking such an opportunity while continuing to meet workload demands.

Organizational Chart



Governor's Council on Tourism

The Governor's Council advises the Department and is made up of 17 representatives of Wisconsin's tourism industry and four members of the Wisconsin State Legislature. The Council provides tourism representatives with an interest and expertise in specific areas of tourism development and marketing an opportunity to help shape the direction of the Department's programs.

The members include:

- Deb Archer--Chair, President & CEO of the Greater Madison Convention & Visitors Bureau
- Senator Roger Breske, 12th Senate District
- Peter Chapman--Executive Director of the National Railroad Museum
- Gloria Cobb--Great Lakes Intertribal Council, Inc.
- Bill Geist--President of Zeitgeist Consulting
- Secretary Jim Holperin, Department of Tourism
- Dr. Charles Metelka--Chair of the Department of Hospitality & Tourism at UW-Stout
- Doug Neilson--President & CEO of the Greater Milwaukee Convention & Visitors Bureau
- Representative Mark Pettis, 28th Assembly District
- Karen Raymore--CEO of the Door County Chamber of Commerce and Visitor & Convention Bureau
- William Slater--Owner of Millie's Restaurant & Shopping Village
- Romy Snyder--Executive Director of the Wisconsin Dells Visitor & Convention Bureau
- Linda Sowell---Public Relations Director for the Potawatomi Bingo Casino
- Representative John Steinbrink, 65th Assembly District
- Greg Swanberg--Owner of Swanberg's Bavarian Inn
- Bob Thomasgard--Acting Director of the State Historical Society
- Patricia Thornton--Director of Bayfield County Tourism & Recreation
- Thomas Tourville--Executive Director of the La Crosse Area Convention & Visitors Bureau
- George Tzougros--Executive Director of the Wisconsin Arts Board
- Senator David Zien, 23rd Senate District

Bureau of Marketing

The Bureau of Marketing directs the Department's four seasonal and multi-cultural advertising campaigns. In addition, the bureau designs and produces all Department publications, administers the Joint Effort Marketing (JEM) grant program, coordinates the annual Governor's Conference on Tourism, coordinates numerous co-op advertising and direct marketing opportunities, directs an extensive program of ongoing research, implements a database marketing and a mass-customized integrated marketing program, manages still photography for free use by the public, and promotes Wisconsin as a group and international travel destination. Further, the bureau manages all aspects of the Wisconsin Film Office and promotes the state as the right choice for feature film production, video and television commercial production.

- **Advertising:** In 2002, the Department introduced television advertising as a new component of the winter media campaign. Developed with an indoor/outdoor marketing strategy, this addition was based on research, which indicated that customers remembered states' advertising most when television was part of the media mix. Post awareness research confirmed that television was instrumental in the recall of Wisconsin with our market share increasing 47% after running the commercials.
- **Industry Partnerships:** During the biennium, the Department fostered a variety of industry partnerships to leverage promotional dollars and maximize market penetration. For the first time, the Department spearheaded a co-operative direct marketing program that enabled the industry to purchase e-mail addresses of preferred customers. These travel customers specifically requested to be in the Department's e-mail marketing database making the list highly qualified. This project also served as a minor revenue stream. These revenues are reinvested into various e-mail campaigns where sole intent is to build the customer database.
- **Wisconsin State Parks, Year of the Trails:** In 2002, Wisconsin State Parks focused their marketing strategy on trail development. The Department helped to showcase the numerous state trails through a strong public relations program as well as integrating trails into the general spring/summer/fall seasonal campaigns.
- **JEM/Destination Marketing Grants:** During the biennium, the Department awarded \$2,833,000 in Joint Effort Marketing and Destination Marketing Grants to 300 communities for 158 different projects. Through a quality improvement process in partnership with industry appointed representatives, the JEM program continues to be one of the most popular programs offered by the Department and the only one providing grant money.

- **Publications & Graphic Design:** The Department produces nearly 1 million Wisconsin travel publications annually around six major titles. Through an internal work-group, new ideas and alternative strategies are discussed to insure that Wisconsin publications remain among the best in the nation.
- **Meetings and Conventions:** The Department continued to focus on the meetings and conventions market by partnering with the private sector to produce the *Think Wisconsin* guide and Web site. Additional marketing efforts included development of “Meet Wisconsin,” an industry based initiative to complement the strategy of reminding Wisconsin businesses to plan and hold their meetings and conventions at home. The *Think Wisconsin* campaign is designed to position Wisconsin as an excellent destination for group meetings and conventions of any size.
- **Multi-cultural markets:** There was a continued commitment to inviting multi-cultural audiences to travel in Wisconsin. Key elements of the campaign included advertising aimed at African-American and Hispanic markets. Focus group research guided targeted marketing, inviting people of all cultures to enjoy a Wisconsin vacation. The Department employed the services of a new certified minority advertising and public relations agency, Creative Marketing Resources of Milwaukee.
- **Research:** The Department of Tourism is committed to making research-based marketing decisions and does so by implementing a variety of qualitative and quantitative research studies. Over the biennium, a comprehensive series of seasonal market studies identified customer-preferred activities, attitudes, expenditures and travel party composition. Further, seasonal advertising awareness, a variety of focus group studies and an industry co-operative research program were implemented.
- **Database Marketing:** Enriching the valuable customer database and using direct marketing techniques to reach existing customers and cultivate new travelers proved very successful over the 2001-03 biennium. An impressive e-mail marketing program was implemented, resulting in response rates of over 20%. There are over 100,000 customer names in the database. Communicating to this base of customers with immediate news, travel events and opportunities is a cost-effective method to reach primary customers who have chosen to receive Wisconsin travel information.
- **Governor’s Conference on Tourism:** The Department hosted its annual statewide tourism conference in LaCrosse (2002) and Wisconsin Dells (2003). Both continued the Wisconsin tradition of exceptional attendance, content and quality. The conference is the largest of its kind in the nation, and a model for other state tourism offices. Attendees continued to learn about industry advances and uses of technology, customer service and marketing.

- **International Marketing:** The Department continued partnerships with the Great Lakes of North America and the Mississippi River Parkway Commission, regional marketing organizations that promote Wisconsin and nearby states to markets in Germany, Japan and the United Kingdom.
- **Film Office:** Selling Wisconsin - its talent, resources and image - as a location for on-site filmmaking, corporate/industrial videos, commercials, television shows, and still photography is the role of the Film Office. The Film Office also facilitates the production of feature film projects in Wisconsin and supports the "Wisconsin's Own" portion of the annual Wisconsin Film Festival, the Children's International Film Festival, the Milwaukee International Film Festival and the Black Point Film Festival.

A new feature of the Film Office is an e-newsletter sent monthly to nearly 1,000 industry members updating items of importance, posting job and other opportunities for projects and recognizing the Wisconsin industry as well as a completely redesigned interactive website (www.filmwisconsin.org). With early assistance from the Film Office, *Mr. 3,000*, starring Bernie Mac, was filmed in June and July 2003 at Miller Park in Milwaukee. Preliminary reports indicate this project brought an estimated \$15 million of economic impact to the area.

During the next biennium, the Marketing Bureau will continue to widely distribute its advertising message to potential travelers. The bureau will continue to assist communities through the JEM program and host the annual tourism conference in Green Bay (2004) and Madison (2005).

Bureau of Communications and Industry Services

The Bureau of Communications and Industry Services is comprised of the Department's tourism development specialists and a public relations staff.

- **Communications:** In FY 02, the Bureau of Communications generated more than \$22 million dollars of equivalent advertising value on a local, national, and international basis.

Across Wisconsin, weekly "best bets" for entertainment or travel were broadcast on more than 70 radio stations. Television exposure included regular news coverage from local Wisconsin stations, *CNN Headline News*, *CBS Sunday Morning*, Babe Winkleman's *Good Fishing*, *Trout Unlimited*, *Csonka's Outdoors*, and Keith Farnie's *Adventures on the Food Network*. Web site media included regular exposure in the travel sections of *jsonline.com*, *chicagotribune.com*, *startribune.com*, *cnn.com* and *abcnews.com*. There were also significant print media successes including the *Los Angeles Times*, *Conde Nast Traveler*, Arthur Frommer's *Budget Travel*, *Outside*, and *USA Today*. Promotional efforts during the biennium included the unveiling of Lay's Potato Chips "Wisconsin Cheddar" flavor during an online sweepstakes featuring five Wisconsin travel destinations.

The Communications Bureau continues to supply content to *travelwisconsin.com*, the agency's primary web address. Additionally, the bureau provides content for customer e-mail newsletters that are distributed 8-10 times annually to more than 100,000 subscribers. The bureau is also responsible for publication of three industry newsletters (Tourism Today, Marketour, and Travel Tracker). Costs have been trimmed significantly by distributing the three industry newsletters, a monthly events calendar, and fall color and snow reports by e-mail.

- **Outreach:** In addition to newsletters and various forms of public relations, the Department's two development specialists travel the state to work with communities and the tourism industry. The development specialists provide a variety of services including assessments of a community's tourism base, promotion of new programs, assistance with JEM or other grant applications, and communication between the Department and the industry. Often the development specialists are the first point of contact for persons in the tourism industry.

During the next biennium, the Bureau of Communications and Industry Services will be more aggressively pursuing "free" media options. For example, the Department has already secured commitments with television stations in Rockford, Illinois and Madison, Wisconsin to supply travel correspondents (bi-monthly) to discuss Wisconsin travel options on various

newscasts. Strategically, we hope to expand this program during the biennium.

The Department is also working with Wisconsin's First Lady to implement "*Where in Wisconsin is Jessica Doyle*," a program to promote statewide travel destinations that are family oriented and educational. Additionally, Communications will coordinate significant promotional efforts for the Grand Excursion along the Mississippi River, the PGA golf tournament at Whistling Straits, Year of the Wisconsin Forest, eco-tourism, and cultural tourism. The Bureau has also debuted the *Governor's Award for Putting Wisconsin on the Map*, which will highlight a group or individual doing outstanding work to promote Wisconsin as a travel destination.

Industry Services will continue to work to raise the awareness of the Department's programs and services and to serve as the liaison between the tourism industry and Department.

Bureau of Information Technology

The Bureau of Information Technology is responsible for computer network support, Internet, and database management for the Department. The bureau also oversees the Department's extranet which allows partners to update their community or event information in the database where it can then be accessed for publications and inquiries on travelwisconsin.com or through the call center.

- **Web Site Usage:** During the biennium, there were 4.3 million website user sessions on travelwisconsin.com. Site usage increased more than 55 percent over the previous biennium. Tourism staff and industry partners have made more than 53,000 additions and edits online to the tourism database via the extranet system in this biennium.
- **Web Site Redesign:** In early 2003, travelwisconsin.com went through a redesign which added customer profiling as a feature to allow for more niche and target marketing to customers and added more functionality to the site. Virtual tours of Wisconsin were added.
- **Other Sites:** In addition to travelwisconsin.com, the Bureau of Information Technology also manages the Department's other Web sites: filmwisconsin.org, wigcot.org and agency.travelwisconsin.com as well as other internal applications, databases, hardware and software.
- **Communication:** In partnership with the Department's Marketing Bureau, more industry and traveler communications are being distributed electronically. This will continue to be an expanded effort in the next biennium as it is a highly cost effective communication medium.
- **Wisconsin.gov:** A link to the portal continues to be featured on all of the Department's Web site pages. The portal continues to be a top five referring site to travelwisconsin.com.
- **Other Improvements:** The Department's computer system was enhanced in other ways as well. Among the improvements: the availability of EmbARK Web Kiosk, a program for making the Department's library of 4,000+ images available to users and selected partners through a web browser, and the addition of a Virtual Private Network (VPN) for secure, reliable, remote access when needed.

In the upcoming biennium, refinements to Windows 2000 will focus on greater security, user convenience, and reliability. The Department's e-mail server software will be upgraded from Microsoft Exchange 5.5 to Exchange 2000. Future plans include the addition of real time e-mail address and mailing address validation to the call center and to the Web site, integration of the industry partner

database into WDT2000, redesign of the Department Film Office database, increase the use of electronic publication offerings, and continued enhancement of travelwisconsin.com.

Bureau of Customer Services

The Bureau of Customer Services manages the staff and operations of the Wisconsin Travel Information Centers (WTICs), the Department's fulfillment operations and the Department's inbound telemarketing efforts. The bureau also promotes travel to Wisconsin by attending consumer trade shows in target markets.

- **Highlights from the WTICs:**
 - Nearly 2.8 million travelers and 62,000 motorcoach passengers were served by the state's twelve WTICs during the 2001-2003 biennium.
 - The WTIC in the Mall of America, the WTIC in downtown Chicago, and the WTIC in downtown Madison were all closed as budget-cutting measures.
 - A prototype Internet kiosk was made available to the public in late 2002 at the WTIC – Beloit. Usage monitoring of the kiosk is ongoing. As budget permits, the presence of kiosks could be expanded.
 - The WTIC – Beloit kiosk also includes a hotline phone that is answered by Tourism operators. A second hotline was installed at Rest Area #14 on Interstate 94 between Madison and Milwaukee.
 - All Department remote users (WTICs and two Development Specialists from the Communications Bureau) saw significant technology improvements, including all new desktop PCs and better support capability through Symantec pcAnywhere. Security and connectivity was also improved by the addition of a Virtual Private Network (VPN) through which all of the WTICs now connect to the Madison network for e-mail and file-sharing.
 - A newly created Display/Exhibit Program at the WTICs allows tourism industry partners to display or exhibit their destination, event or tourism products in travel information centers around the state, exposing the message to thousands of travelers.
 - Continued close working relationships and partnerships with the Department of Transportation and Rehabilitation For Wisconsin has allowed for higher efficiencies and greater services at our state travel information centers.
- **Requests for Travel Information:** During the 2001-2003 biennium, the Bureau of Customer Services managed more than 445,000 inquiries for information via inbound telemarketing, mail, e-mail, Web publication orders and electronic reader response requests. In addition, the Bureau distributed more than 4 million publications to travelers, consumer show attendees, and tourism industry partners.
- **Call Centers:** The Bureau of Customer Services partnered with the Bureau of Information Technology to purchase a web-based browser application for

the Department's call centers. The application is backed by the Department's product database and provides operators the ability to create custom trip plans for customers. These trip plans can be delivered verbally to the customer, e-mailed, or printed and mailed.

- **Consumer Shows:** The Department showcased Wisconsin to approximately 5.1 million potential customers at multiple consumer, travel, and sport shows located in the state's strategic markets. The shows continue to provide a unique one-on-one marketing opportunity to directly sell Wisconsin to customers who may not get travel information from any other source. The booth-display is dynamic, allowing us to customize the booth to fit individual shows or niche markets. Our show itinerary is revisited each year to ensure that we are participating in the most productive markets and types of shows.
- **Fulfillment:** Research conducted annually continues to prove that Wisconsin Department of Tourism's publications reach customers by mail more quickly than almost any other state. During the biennium, the Department sent out more than 540,000 travel packets; nearly 150,000 of which were sent out as part of the Department's direct mail program.
- **Warehouse:** The Department continues to manage two warehousing operations for distribution of publications to WTICs, consumer shows, travelers and industry partners. One warehouse is in LaCrosse (Riverfront, Inc., a sheltered workshop) and the other is in Madison (a partnership with the University of Wisconsin).

During the upcoming biennium, we will offer special WTIC promotions to increase and enhance customer visits to centers. We would also like to increase kiosk access to the Department Web site for after-hours travelers at more locations. We will continue to increase the promotions and exhibit programs to further promote Wisconsin products, destinations, events and attractions in the travel information centers. Finally, we will continue to enhance the call center application to provide customers an even more valuable experience when calling the Department's toll-free numbers.

Bureau of Administrative Services

The Bureau of Administrative Services administers agency policies, procedures, systems and services for departmental operations. The bureau manages the agency's primary resources - including human resources, accounting, payroll and benefits, budget and policy, purchasing and program support services. The bureau accomplished the following goals during the last biennium:

- **WiscJobs:** Successfully converted to a new Department of Employment Relations (recently changed to the Office of State Employment Relations) centralized and automated system for staffing, recruitment, and "at risk" and layoff functions.
- **Recruitment:** Reevaluated positions as they became vacant to best utilize the position and job duties.
- **Reduced position authority:** As mandated, the Department prepared for and implemented reduced position authority. In order to minimize layoffs, the Department offered part-time employment opportunities, reduced the FTE status of vacant positions and used vacant positions.
- **Retention:** Justified and supported pay range reallocations based on market compensation statistics and retention/recruitment problems for the classification of Tourist Information Assistant 3.
- **Budget reporting:** Developed spreadsheets for Managers to use in projecting and accounting for expenditures. The spreadsheets are updated monthly and projections revised as necessary.
- **Training:** The Department has been participating in a pilot on-line training program, offered by the Department of Administration, to accommodate training needs and reduce training costs.
- **Policy:** The school start date law that was passed in 2001 went into effect in this biennium. The general consensus of the law has been positive. Many discussions have been held on the need to create a stable, long-term funding source for the Department of Tourism. A variety of budget cuts throughout the biennium has greatly reduced our budget and thus required a reduction in travel and other expenses. Due to the pattern of low snow totals, in FY 03 the Department worked with the Department of Commerce to create the Tourism Development Initiative. This program provided over \$500,000 in emergency loans to twenty-eight small businesses that were negatively affected by the lack of snow as well as offered a course aimed to diversify tourism businesses and/or regions so they are not completely weather dependent.

- **Controls:** Documented, revised and updated the internal inventory system for accuracy and accountability.

Over the next biennium, the greatest challenge for Administrative Services and the Department will be to use budget dollars in the most efficient way possible. This will mean working closely with the Bureau Managers on cost projections and expenditures to best utilize budget dollars while advancing the Department's mission.

The Bureau of Administrative Services will work to improve and make processes as efficient as possible. In addition, we will continue to aim for a high level of customer service satisfaction for our internal and external customers alike.

Economic Impact: Tourism Works for Wisconsin

During the 2001-2002 period, travelers spent \$11.68 billion in Wisconsin. The 120.55 percent increase in traveler expenditures between 1993 and 2002 indicates how tourism has grown and the vast contribution this industry makes to Wisconsin's economy. Wisconsin's diverse seasons, attractions, and natural beauty make it one of the top tourist destinations in the Midwest. There is something here for everyone to enjoy.

Tourism Expenditures in Brief

2002

- The estimated travel expenditures for the 2002 period was \$11.68 billion. This reflects an increase of 2.0% over the 2001 period.
- Travel expenditures generated \$1,077 billion in State Revenues and \$778 million in Local Revenues.
- Travel Expenditures generated \$6.6 billion in Resident Income and created 323,759 full-time equivalent jobs.

2001

- The estimated travel expenditures for the 2001 period was \$11.45 billion. This reflects an increase of 3.6% over the 2000 period.
- Travel expenditures during this period generated \$1,059 billion in State Revenues and \$745 million in Local Revenues.
- Travel expenditures generated \$6.4 billion in Resident Income and created 316,643 full-time equivalent jobs.

These estimates are based on expenditures made by all people traveling outside of their normal routine for business, leisure, meetings and conventions or any combination of those purposes. Travelers include both Wisconsin residents and out-of-state visitors.

For additional economic impact information, contact the Department of Tourism at 608.261.8187 or visit the Department's tourism industry Web site (agency.travelwisconsin.com).